

Message Text

UNCLASSIFIED

PAGE 01 ROME 11476 141603Z

ACTION EUR-12

INFO OCT-01 ISO-00 FRB-01 L-03 H-02 PA-02 PRS-01
SP-02 USIA-15 AID-05 EB-07 NSC-05 EPG-02 SS-15
STR-04 OMB-01 CEA-01 CIAE-00 COME-00 INR-07
NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 /101 W
-----053347 142202Z /75

R 141412Z JUL 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 5872

TREASURY DEPT WASHDC

UNCLAS ROME 11476

PASS FRB

E.O. 11652 N/A

TAGS: EFL, IT

SUBJ: BANK PORTFOLIO CONSTRAINT MAINTAINED AT PRESENT LEVEL
FOR NEXT 5 MONTHS

REF: A. ROME 1066

B. ROME 10974

1. BANKS' COMPULSORY INVESTMENT IN LONG-TERM SECURITIES
HAS BEEN FIXED FOR THE SECOND HALF OF 1977 AT THE RATE OF
30 PERCENT OF THE INCREASE IN DEPOSITS DURING JUNE-NOVEMBER OF
THIS YEAR. THIS IS SAME PERCENTAGE RATE IN EFFECT DURING THE
FIRST HALF 1977, COMPARED WITH THE 42 PERCENT SHARE REQUIRED
IN SECOND HALF 1976. SECURITIES ELIGIBLE FOR FULFILLING THE
REQUIREMENT ALSO REMAIN ROUGHLY THE SAME AND INCLUDE THOSE OF
THE SPECIAL CREDIT INSTITUTES DEVOTED TO INDUSTRIAL, MORTGAGE,
AND PUBLIC WORKS FINANCING AND SELECTED FIXED INTEREST TREASURY
ISSUES.

2. THE RECENT DECLINES IN SHORT-TERM INTEREST RATES,
AS ON TREASURY BILLS AND SHORT-TERM BANK LOANS, MAKE
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THE PORTFOLIO CONSTRAINT LESS ONEROUS THAN IN THE PRECEDING YEAR
OR SO, ALTHOUGH FIXED INTEREST SECURITIES (AVERAGE YIELD ABOUT
15 PERCENT) ARE STILL SOMEWHAT LESS REMUNERATIVE THAN ALTERNATIVE
SHORT-TERM INVESTMENTS (REFTEL B).GARDNER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL STABILITY, BANKS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ROME11476
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770251-0632
Format: TEL
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770757/aaaabxki.tel
Line Count: 59
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4c7f566b-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 ROME 1066, 77 ROME 10974
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1861072
Secure: OPEN
Status: NATIVE
Subject: BANK PORTFOLIO CONSTRAINT MAINTAINED AT PRESENT LEVEL FOR NEXT 5 MONTHS
TAGS: EFIN, IT
To: STATE TRSY
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4c7f566b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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